GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:1476
ANSWERED ON:03.08.2005
LOWERING DOWN TARGET OF ECONOMIC GROWTH
Gaikwad Shri Eknath Mahadeo;Pal Shri Rupchand;Rao Shri Sambasiva Rayapati;Scindia Shri Jyotiraditya Madhavrao;Singh Shri Kirti Vardhan;Yadav Shri Anirudh Prasad (Sadhu)

Will the Minister of PLANNING be pleased to state:

(a) whether the Government is scaling down its projected target of economic growth after the completion of Mid Term Appraisal of Tenth Plan; and

(b) if so, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a): The Mid-Term Appraisal to the Tenth Five Year Plan as agreed to by the National Development Council has scaled down the target of economic growth from 8.1% per annum during the period 2002-03 − 2006-07 to 7% for this period.

(b): The major reason for scaling down the target has been less than expected growth rate in the first three years of the Plan, mainly on account of negative growth in the agriculture sector due to poor monsoon that resulted in poor overall performance in the first year of Tenth Plan i.e. 2002-03. As a result, the likely achievement in the first three years of the Plan was estimated to be 6.5% per annum. In light of this, the acceleration in the growth rate needed for achieving 8.1% was too high to achieve in the remaining two years of the Tenth Plan.